

98-84368-2

Knott, Richard W.

A currency catechism

Louisville, Ky.

1895

98-84368-2

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Z Knott, Richard W
v.12 A currency catechism, in which Coin's financial
school is contrasted with the school of experi-
ence. Louisville, 1895.
15 p. 16 $\frac{1}{2}$ cm.

Volume of pamphlets.

Only ed

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TECHNICAL MICROFORM DATA

FILM SIZE: 35mm

REDUCTION RATIO: 10:1

IMAGE PLACEMENT: IA (IIA) IB IIB

DATE FILMED: 3/10/98

INITIALS: F.C.

TRACKING #: 31249

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BIBLIOGRAPHIC IRREGULARITIES

MAIN ENTRY: Knott, Richard W.

A currency catechism

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No. 1

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THE REVEREND
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A Currency Catechism

In which Coin's Financial School is
Contrasted with the School of
Experience.

BY RICHARD W. KNOTT.

[REPRINTED FROM THE LOUISVILLE EVENING POST.]

EVENING POST Co., Publishers,
LOUISVILLE, KY.

1895.

332.41

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"What is now needed more than anything else is a plain and simple presentation of the argument in favor of sound money. In other words, it is a time for the American people to reason together as members of a great Nation, which can promise them a continuance of protection and safety only so long as its solvency is unsuspected, its honor unsullied and the soundness of its money unquestioned. These things are ill exchanges for the illusions of a debased currency, and groundless hope of advantages to be gained by a disregard of our financial credit and commercial standing among the nations of the world."—*Grover Cleveland.*

A CURRENCY CATECHISM

IN WHICH ONE HUNDRED QUESTIONS, WHICH "COIN" OVERLOOKED,
ARE ASKED AND ANSWERED.

The following catechism is designed to present clearly the first principles in the currency question; to show the relation of money to wealth; of coin to money, and to trace the development of modern commerce from its first stage of barter. It is believed that if one has distinctly in mind a few historical facts, a few scientific principles founded on these facts, one cannot be imposed on by financial charlatans or economic quacks.

1—Q. What is the object of man's industry?

A. The necessities, conveniences and amusements of life.

2—Q. Can man by his own industry produce all that he desires?

A. By his own industry he satisfies a portion of his desires and exchanges a

portion of his product for the product of the labor of others.

3—Q. What is the basis of this exchange?

A. Labor is the real measure of the exchangeable value of all commodities.

4—Q. Is one man's labor the equal of another man's labor?

A. The value of men's labor varies. There may be more value produced in one hour's hard work than in two hours' easy business, more value in production in an hour's application to a trade which it has taken ten years to learn than in a month's industry in an ordinary occupation.

5—Q. By what means is one man's labor compared with the labor of another?

A. By a comparison of what each produces with some other commodity which

serves as a common denominator.

6—Q. For the purpose of comparison, what commodities are generally used?

A. The various metals were gradually adopted as the best means of comparison.

7—Q. Which metals are most preferred?

A. Gold and silver.

9—Q. What qualities make these metals desirable?

A. They are the least perishable, most portable, easily hidden, easily divided; when pure, always of the same quality and of all commodities they are the most stable in value.

9—Q. How long have these metals been used as common measures of value?

A. From the earliest periods of history.

10—Q. How is their value determined?

A. First, by weight—"And Abraham weighed Ephron the silver"—and by weight to day in China.

11—Q. Do gold and silver vary in value?

A. Less violently than other commodities, but to a certain degree. They are sometimes cheaper and sometimes dearer, sometimes of easier and sometimes more difficult of purchase.

12—Q. Upon what does their value depend?

A. The quantity of labor which any particularly quantity of them can purchase or command or the quantity of other goods which

it will exchange for depends upon the fertility or barrenness of the mines which happen to be known about the time when such exchanges are made.—Adam Smith.

13—Q. What has been done to obviate the necessity of weighing and assaying as Abraham did?

A. First, commercial guilds, silversmiths and others began to stamp on the metals certain marks testifying to the quantity and quality. After that, the sovereigns, and then the governments of the nations most civilized began to mint or coin the metals most in use.

14—Q. What is meant by coining a metal?

A. Putting a mark upon it which is a guaranty that it contains a given quantity of specified fineness.

15—Q. Does coinage add to the value of either metal?

A. It adds nothing to its value. It simply makes it more convenient to use and thus facilitates exchange.

16—Q. Then gold and silver are mere commodities after coinage as before?

A. The same after as before.

17—Q. Can you give any illustration to sustain this assertion?

A. The origin of the word dollar supplies the illustration. In 1518 in Joachim's Valley, Bohemia, Count Schlick began to coin silver pieces of an ounce weight. They were uniform in weight and fineness and soon became numerous. Traders in want of some international standard, fixed by common honesty as

a measure of value for other coins, gradually adopted these coins and they were in good repute all over Europe, and under the name of Schlickten thalers, or Joachim's thalers, became synonyms for honest coins of full weight and value. After a time the name was abbreviated to thaler—literally "valleyer"—thence to Low German dahler, Swedish dalers, Italian tallero, and finally dollar. It was no government stamp, but the mere trade mark of an honest man.

18—Q. Why, then, does society go to the expense of establishing mints and forming intricate codes of laws relating to coinage if no additional value is given to the metals?

A. It is done simply for the purpose of facilitating exchange. Barter is the first crude form of commerce, but it is costly, subject to delay, to loss in the search for customers and prevents that complete division of labor which is essential to the highest production.

19—Q. How does a common measure of value lead to a better division of labor?

A. By enlarging the markets. When the market is narrow no one is encouraged to devote himself to the production of one article, for he may have most of his product on his hands or be able to exchange it only for something he does not need. By enlarging his market he has more possible and actual customers. They may have nothing he wants, but they pay him in coin and he exchanges

that for what he needs. Thus money encourages commerce by facilitating exchange, and this extension of commerce leads to a more economical division of labor, leaving all men free to do all the time what they could best do.

20—Q. What is the function of money?

A. Money has a two fold function; it is measure of value and a medium of exchange.

21—Q. How should the quantity of money be regulated?

A. By the demands of commerce.

22—Q. How does commerce regulate the supply of money?

A. As it regulates the supply of other commodities. When money is scarce in one country, money rushes from other countries to supply the vacuum, just as when food or clothing is scarce, supplies come from all quarters.

23—Q. What then is the province of legislation?

A. To maintain the standards; to punish fraud, to prevent counterfeiting; to insure peace and tranquillity and justice and to remove all artificial barriers to exchange.

24—Q. What do people mean who cry for more money?

A. Sir Dudley North answered this in 1891 when he said: "Money is not their want, but a price for their corn and cattle which they would sell, but cannot."

25—Q. Would not more money enable them to sell them?

A. Not unless other people had something they were willing to exchange for corn and cattle.

26.—Q. Does not the introduction of coined money change the character of commercial transactions?

A. The reasons which makes the temporary or market value of things depend on the demand and supply and the average and permanent value upon their cost of production, are as applicable to a money system as to a system of barter.

27.—Q. Is the value of money metal dependent on legislation?

A. The value of money metal is dependent on the cost of production and on the rapidity of its circulation.

28.—Q. What is the first requisite of good money?

A. Stability.

29.—Q. Is there a general disposition among nations to use gold as the chief money metal subordinating silver?

A. This tendency, noticeable in the early part of the century, has become very marked since the Franco-Prussian war.

30.—Q. What is bimetallism?

A. Bimetallism is the legalized use of two metals in the currency of a country at a fixed relative value.

31.—Q. Is it possible to maintain these metals in circulation at a fixed ratio?

A. Experience proves it to be impos-

sible with free legal tender coinage for both metals. The market ratio varies from time to time. The result is that the metal undervalued at the mint leaves the country. This causes general fluctuation of values. This fact was noticed by John Stuart Mill, who says that when both metals are legal tender at a fixed valuation money is less stable than when the exclusive standard of the currency is either gold or silver. Instead of being affected only by the variations in the cost of production of one metal it is subject to derangement from two.

32.—Q. Has any nation succeeded in maintaining a bimetallic currency?

A. No. The effort generally results in the practical adoption of one standard and of one metal. In the Senate of the United States in a speech delivered September 28, 1837, on the currency, Mr. Webster said: "There is but one money standard for the country, and the standard of value to be established by Congress is to be a currency and not bullion merely; because we find it is to be coined, that is, it is to be one or the other of the precious metals bearing an authentic stamp of value and passing therefore by tale. That is to be the standard of value." A few months later, in his second speech on the Sub-Treasury Mr. Webster said: "With us silver and gold are both made standards at a fixed relation and if we succeed to keep this relation so true as to preserve

both the precious metals among us (which indeed is not very probable), our circulation would be still more expensive and cumbersome from the quantity of silver it would contain."

33.—Q. What has been the result where nations have sought to fix a legal ratio between silver and gold different from the market ratio?

A. They have lost the undervalued metal.

34.—Q. What nations have attempted to maintain a bimetallic standard?

A. Mexico, the nations of South America, China, Japan.

35.—Q. What has been the result?

A. These nations have in effect adopted the silver as their single standard.

36.—Q. What nations have adopted the single gold standard of value?

A. England, Germany, United States and the Latin Union, by the suspension of the coinage of silver.

37.—Q. In these cases, has the result been to expel silver?

A. In the nations where gold is the standard a large quantity of silver is maintained in circulation. In nations where silver is the standard no gold circulates.

38.—Q. What effect has the single gold standard upon wages?

A. It has only the effect it has upon commerce; it gives stability to all values and increased facilities for exchange. It is worthy of note that the nations having gold as their standard of value and using both metals in their currency have

the largest commerce and the highest scale of wages.

39.—Q. When did Germany adopt the single gold standard?

A. After her war with France. The payment of the indemnity by France gave Germany control of a large stock of gold and her rulers determined to take advantage of the opportunity to reform the currency system of the empire. The various states then brought together as one nation, had seventeen varieties of gold money, and sixty-six different coins of silver, having full legal tender value. The silver constituted 65 per cent. of the circulation. The new system established gold as the sole monetary system with silver limited to \$2.50 per capita and its legal tender value limited to \$5.

40.—Q. What effect had this action of Germany on other nations?

A. The "Latin Union," comprising the five countries using the franc system—France, Belgium, Italy, Switzerland and Greece—fearing Germany's silver would flood their mints to the exclusion of gold, in 1874 restricted, and in 1878 entirely suspended the coinage of silver five-francs.

41.—Q. What course did the United States take?

A. In 1870 the United States Congress considered, and in 1873 adopted a new codification of the laws in relation to coinage. Under this codification the coinage of the silver dollar was discontinued. And it was declared that "the

gold dollar shall be the unit of value."

42—Q. When did the decline of silver become marked?

A. In 1373 the price of bar silver in London was \$1.30 per ounce. In 1388 it had fallen to \$0.94. In 1394 it had fallen to \$0.63½; or in twenty years it had declined one-half.

43—Q. What effect had this decline in value upon the world's production of silver?

A. It has steadily increased. In 1373 the world's production of silver was 63,267,000 ounces. In 1392 it was 152,061,800 ounces. In other words, while the value has decreased one-half the production has increased two and one-half.

44—Q. What has been the effect upon the world's progress of these economic changes?

A. Never before in any corresponding period of time, according to David A. Wells, "has labor been so productive; never has the volume of trade and commerce been greater; never has wealth been more rapidly accumulated; never has there been so much abundance for distributing on so favorable terms to the masses; never, finally, would an ounce of silver exchange for so much of sugar, wheat, wool, iron, copper and coal," as in the period from 1373 to 1390.

45—Q. Can any of the recent disturbances be attributed to the suspension of the free coinage of silver?

A. The suspension of the free coinage of silver was followed by seventeen years of unprecedented and universal pros-

perity. The more recent disturbances are traceable to other causes.

46—Q. To what causes are the disturbances in the United States traceable?

A. To a natural reaction following a long period of expansion. To the evil effect of tariff obstructions to trade. To the threats of a return to the double standard. To the withdrawal of foreign capital from America because of these threats. And to ill-considered legislation concerning capital which generally mark an era of low prices.

47—Q. Would the free coinage of silver by the United States restore its market value?

A. It would not. Admitting, merely for the sake of argument, that the decline has been due to the closing of the mints to silver by eight nations, free coinage by one could not restore the former equilibrium.

48—Q. Is there any natural, unchangeable ratio between the value of gold and silver?

A. No more than there is between corn and wheat, cotton and wool, iron and steel, or the Democratic and Republican vote.

49—Q. Is there a constitutional ratio between the value of gold and silver?

A. None; the constitution leaves the matter to the control of Congress.

50—Q. Has Congress ever changed the legal ratio?

A. In 1792 Congress adopted the ratio of 15 to 1, but at that ratio few silver

dollars were coined. And in 1805 President Jefferson, by an executive order, closed the mints to the coinage of the silver dollar. In 1834 Congress changed the ratio to 16 to 1 with the avowed purpose of securing a gold currency.

51—Q. What was the effect of this slight over valuation of gold?

A. We secured all the gold we desired and lost our silver.

52—Q. What would be the effect should we now over value silver one hundred per cent?

A. We would get all of the silver we could pay for and lose our gold.

53—Q. What rule did Mr. Jefferson lay down for establishing a ratio between gold and silver?

A. Mr. Jefferson said, "Just principles will lead us to disregard legal proportions altogether; to inquire into the market price of gold in the several countries with which we shall principally be connected in commerce and to take an average from them. The proportion between the values of gold and silver is a mercantile problem altogether."

54—Q. Does the free coinage of any metal fix finally its relation to any other metal or commodity?

A. The free coinage of a metal at a given ratio is simply the legal recognition of a fact already existing. When the market ratio changes, it is the part of wisdom to change the legal ratio. When the fluctuation becomes rapid and frequent it is the part of wisdom to abandon the metal that has shown the least

stability. The object of all coinage is simply to furnish commerce with the best possible instrumentalities of exchange. When any of these instruments become impaired there is no more reason for retaining them than there would be for retaining the stage coach as a means of transportation or preferring the ship of 1792 to the steam vessels of 1895.

55—Q. Do we not destroy half the money of the world by closing the mint to silver?

A. The quantity of money in the world is of less importance than the quality. Money that is unstable is of no value; but as a matter of fact, the silver money today equals in quantity the gold money and the quantity of each exceeds anything known in the past. As a medium of exchange, the coined silver, sustained by the credit of the various governments, is performing this function as well as it ever did. Gold is the standard of value as well as the medium of exchange. It thus gives stability to all money systems and enables commercial nations to make their calculations concerning the future.

56—Q. What proportion of commercial transactions are settled in either gold or silver?

A. Not 10 per cent. Commerce has certain instruments of its own which to a large extent displace the metals and to a large extent give to those metals more rapid circulation. The result is that only the balances in all trans-

actions are settled in money, as at the clearing-house and as with merchants who keep accounts with one another.

57—Q. How much money is in circulation in the United States?

A. About \$1,750,000,000; \$624,000,000 silver, \$661,000,000 gold and \$469,000,000 paper.

58—Q. What are the imports of the United States?

A. Under normal conditions the United States buys of foreign nations \$800,000,000 annually.

59—Q. To pay this debt then requires nearly a 1 the money metal in the United States?

A. These goods are not paid for in money metal. They are paid for in other products which we export, the balances alone being paid either by the export or import of gold and silver.

60—Q. Are the debts between individuals settled in the same way?

A. They are. If a man buys a house and lot he pays for it by a draft on his commission merchant or banker with whom he has deposited his crop of tobacco or cotton or wheat or the proceeds of some of these crops. The seller takes the draft and deposits it with his banker, and no actual money is known in the transaction.

61—Q. When the debts of the people are not paid in money?

A. The debts are paid in the products of the fields, mills and factories.

62—Q. Has not the decline in prices of

all of the products been due to the diminishing supply of gold?

A. The supply of gold has not diminished. On the contrary, it has greatly increased. In 1873 the gold product was \$96,200,000; in 1894 it was \$182,000,000.

63—Q. Has not the decline then been due to the fact that silver has been demonetized?

A. If by demonetization is meant that silver has ceased to be used as money, there has been no demonetization, for, as I have stated, there is more silver money in the world today than ever before.

64—Q. To what is the decline in prices attributed?

A. Edward Atkinson and David A. Wells agree that the decline has been due to the vast improvements in the various processes of production. Edward Atkinson in an article in the Forum for April, 1895, analyzes the decline in prices of various products and declares that this decline has not been as great as the improvement in the processes of production would justify, and that the decline has been checked by that natural law which increases the consumption as the prices fall.

65—Q. Is there any scarcity of money in the United States?

A. On the contrary, the amount of money in circulation in the United States is greater today than it ever was before.

66—Q. What is the amount of money in circulation now?

A. \$1,754,000,000.

67—Q. In this calculation do you not include the amount of money held by the banks?

A. By money in circulation I mean money, subject upon call to the uses of commerce. Money in banks is thus subject to call. It is deposited there to be used on demand by the man who puts it there. Money in bank is far more effective, that is, far more active, more actually "in circulation," than money in a man's pocket. It is loaned, taken out and used to pay wages and comes back again through other channels, and is thus kept in constant circulation, like water in the well, whereas the money that a man hides in his stocking or keeps in his pocket serves one purpose and one only, it gives assurance to that one man that he is not dead broke. There it is like water in the pond.

68—Q. Does the establishment of a bank in a community increase or decrease the supply of money?

A. It probably does neither, but it gathers from various nooks and corners small sums that in the aggregate are powerful and at once, this amount of money which before was ineffective, almost useless, becomes the basis of various commercial enterprises. The establishment of a bank, therefore, while it does not increase the amount of money in a community, makes that money circulate more rapidly. In other words, it makes it more effective. Sinking a well does not increase the water in the

earth, but it makes it more easily obtainable.

69—Q. Is it true, as Coin asserts, that only what he calls "the redemption money," that is the money of the standard metal, has any influence on prices?

A. It is not true. Metal or paper performing the function of money and thus facilitating exchange has the same influence upon prices that the so-called redemption money has. This is shown by the history of paper money in England, as recorded in the bullion report; it is shown in the history of the continental currency of the United States; it is shown by the assignats in France; it is shown by the history of greenbacks in the United States from 1862 to 1866; it is shown by the history of the Southern States during the Confederacy.

70—Q. If there is more money in the country than ever, why has not this served to check the decline in prices?

A. Ordinarily this large amount of money would have checked the decline in prices. It would have done it by stimulating demand, by making it easy to purchase, by furnishing merchants with the means for storing products, trusting to an advance. But the trouble was, confidence had been destroyed by threats of a change in our standard of value, by the proposition to make a half dollar a legal tender for a whole dollar. The result was that men who had money preferred to keep it, and few men cared to take the risk of borrowing money, even when their credit made this possi-

ble. The loss of confidence in the currency and this uncertainty as to the future checked all commerce, enforced economy upon all classes, induced many capitalists to close their mills, threw thousands of men out of employment, took from unemployed laborers the power to buy, in some cases, even the necessities of life, and the result was, with increased production came a decreased demand, and prices suffered correspondingly, not from a lack of currency, but from a lack of confidence. Money is not commerce. It is one of the instruments of commerce. Something more than a supply of money is needed to induce men to take the risk of even ordinary commercial transactions.

71—Q. To whom does this money in the banks belong?

A. A part of it belongs to the depositors and part of it belongs to the stockholders.

72—Q. Who are the depositors in a bank?

A. Merchants, manufacturers, farmers and laboring men and women, a multitude of people everywhere, who have saved much or little for investment or have stored it up to be used for the education of their children or for some other comfort or pleasure.

73—Q. Who are the stockholders?

A. Largely men and women of small means who have no business connections, but who have put their money into bank stocks in order that they may have some income from it, and this

money is loaned by the banks to the active men of business.

74—Q. What is the average holding of a stockholder in the national banks?

A. It is \$2,337. There are 287,842 stockholders, and the total amount of national bank stock is \$672,671,361.

75—Q. What is a savings bank?

A. The savings banks of Massachusetts are the typical institutions of this kind and probably the best organized. They have no stock. The money is deposited in the banks, carefully invested and the interest returned to the depositors.

76—Q. How much money is deposited in the savings banks of the United States?

A. In round numbers, \$1,739,000,000.

77—Q. But you said that the entire amount of currency in the United States was only \$1,754,000,000. How can the savings banks have the amount you state? Have they all the money of the United States?

A. A savings bank receives a deposit of \$500. It loans this money on a real estate mortgage. The borrower uses the money to build a house. He pays it out to contractors; the contractors pay the money to the laborers, and the laborer in turn deposits a portion of it in the savings bank to his credit, and so the process goes on year by year. The deposits in the savings bank are not represented by money, but by the things which men exchange money for: houses and lots, stocks and bonds, and thousands of

other things, which constitute wealth of which money is a very small portion.

78—Q. Who are the depositors in a savings bank?

A. Mainly men of small means who have small deposits put by for a rainy day drawing a small rate of interest and gradually accumulating.

79—Q. Then the savings banks are not owned by the bloated capitalists?

A. They are owned, on the contrary, by the hard working men and women of the United States.

80—Q. And the national banks are not owned by Wall street?

A. On the contrary, they are owned by people who have never seen Wall street; one-fifth by women.

81—Q. What would be the effect of the free coinage of silver upon the savings of these millions of American men and women?

A. Free coinage would change at once the standard of all values. It would depreciate one-half the value of all savings, deposited in the national banks, state banks or savings banks. It would lower one-half the value of all life insurance, it would decrease the purchasing power of all pensions one-half and of all fixed incomes; it would make borrowing by the poor difficult and expensive, if not impossible; it would advance the rate of interest just in proportion as the prices advance, it would check all of those influences which under the name of civilization are making the good things of life abundant and the common

things of life beautiful.

82—Q. What was the world's production of gold and silver for the past one hundred years?

A. Of gold, \$5,633,908,000; of silver, \$5,104,961,000; total from 1792 to 1892, \$10,738,869,000.

83—Q. What was the estimated amount of gold and silver money in circulation in the world at the close of that period?

A. \$7,500,000,000.

84—Q. What was the combined production of gold and silver in 1873, the beginning of the period of demonetization of silver, so-called?

A. According to the estimate of the mint, the world's production of gold in 1873 was \$96,200,000; of silver, \$81,800,000; of both metals, \$178,000,000.

85—Q. What was the world's production of gold in 1894?

A. It is estimated at \$182,000,000, or more than the combined production of gold and silver in 1873.

86—Q. Then with gold alone we are adding as much money metal to the world's supply in 1894 as we were adding in 1873, before the demonetization of silver?

A. We are adding just as much as then with the difference that the quality is better, and the facilities for circulation are greatly improved.

87—Q. From 1792 to 1873, what was the world's production of silver?

A. \$2,850,242,000.

88—Q. Since that period how much

gold has been added to the world's stock to replace the silver stricken down?

A. \$2, \$2,897,000.

89—Q. If all silver produced since 1892 had been "wiped out" in 1873, and no more had been discovered, the production of gold would have made good the loss?

A. Eighty-three per cent. of the loss has been made good, and now the production of gold fully equals the production of gold and silver in 1873.

90—Q. But was all the silver destroyed as money?

A. Every dollar of silver then existing is today, if existing, a legal tender for its face value.

91—Q. Has an addition been made to the silver money of the world since 1873?

A. The United States alone has added \$500,000,000 to silver money since 1873.

92—Q. You have seen Coin's illustration of all the gold of the world in the form of a cube placed in the Chicago wheat pit. Is it accurate.

A. Reasonably accurate.

93—Q. Had the illustration been used in 1873, what proportion would the cube of 1873 bear to the cube of 1895?

A. The cube of 1873 would have been less than half the size of the cube of 1895.

94—Q. How is this conclusion reached?

A. Coin states the world's stock of gold in 1895 to be \$3,900,000,000. Of this sum \$2,382,000,000 has been produced

since 1873. Allowing for the losses by attrition, and other causes during these twenty-two years, we see that in that period the world's stock of gold has doubled, and that the cube of gold alone in 1895 would be as potential as the two cubes of gold and silver in 1873.

95—Q. Has the disproportion between the gold in the world and the debts of the world any bearing on the question of coinage?

A. It has none at all, for the debts of the world are to be paid in the goods of the world and not in gold; the debts are paid by the crops of the future, by the cattle yet unborn, by iron and coal and other minerals still in the earth.

96—Q. But when a coal company bonds the property it agrees to pay the principal and interest in gold, does it not?

A. It does, but in gold as a measure of value. As a matter of fact the principal and interest will be paid in coal, and will be dug out of the ground.

97—Q. Is it the comparative weight or the comparative value which should fix the ratio between gold and silver?

A. As no one would fix a ratio between wool and cotton by weight, or between coal and wood, or between wheat and corn by weight, so no intelligent man would attempt to discover the proper ratio between gold and silver by weight.

98—Q. But Coin undertakes to show by a comparison between the weight of gold and of silver, that because the sil-

ver in the world "weighs" fifteen and one-half times as much as the gold in the world, the proper and natural ratio is fifteen and one-half. What is the error in this reasoning?

A. There are several errors. Formerly it was contended that the weight of a man's brain was the measure of his intellectual power; now it is admitted that it is the convolutions of the brain, its quality and not its quantity which determines a man's intellectual status. So is it with the products of man's labor. There is no subtle relation between gold and silver; no umbilical cord connects them. Silver is not gold mixed with alloy to make it heavier. It is different metal, found under different circumstances produced by different methods and requiring different forms of labor. It is the labor expended, plus the demand, which fixes the value of each metal in the market, and that value is the only natural

ratio, as Jefferson asserted a hundred years ago.

99—Q. Is it true that at the present time the silver of the world weighs fifteen and one-half times as much as the gold?

A. Probably it is true. Coin states it as a fact in his appendix. But the ratio of weight is not fixed by any law, and it varies constantly.

100—Q. What evidence is there that the ratio of weight varies or has varied?

A. Mulhall, the great statistician, so often quoted by Coin, gives an estimate of the production of gold and silver for five hundred years, or from 1380 to 1880. The product of gold in tons is 10,355; of silver 193,00 tons. This a ratio of 18.6. As it covers a long period it is more trustworthy than an estimate made at any given time, for statistics to have any value must be comprehensive.

**END OF
TITLE**